

P/C



State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

January 31, 2006

CERTIFIED RETURN RECEIPT
7002 0510 0003 8603 2403

ECDC Environmental, LC
Darin Olson
1111 West Highway 123
P.O. Box 69
East Carbon City, Utah 84520

Subject: Five-Year Review of Reclamation Surety Estimate, ECDC Environmental, LC,
ECDC Clay Mine, M/015/062, Emery County, Utah

Dear Mr. Olson:

Thank you for providing the information requested for the five-year review of the ECDC Clay Mine. The Division finds based on the information reviewed along with a site visit, that the only changes required for the reclamation cost estimate is a five-year escalation. The surety escalated to the year 2011 is \$68,400. A Surety Estimate Update is attached for your use. Please provide the updated surety within 60 days or no later than March 31, 2006.

Please contact Beth Ericksen at (801) 538-5318 (BethEricksen@utah.gov) to obtain the current bonding forms and information to amend the reclamation contract. Current bonding forms and information are also found on the Division's web page at <http://ogm.utah.gov/minerals/>. Please fax a "draft" copy of the documents to (801) 359-3940 for review prior to finalizing the surety.

If you are unable to provide the surety within this timeframe, please contact the Division with justification for requesting additional time. Thank you for your help in keeping the surety current. If you have any questions concerning this letter, please contact Doug Jensen at (801) 538-5382.

Sincerely,

A handwritten signature in cursive script that reads "Susan M. White".

Susan M. White
Mining Program Coordinator
Minerals Regulatory Program

SMW:jb
Attachment: Surety estimate update
cc: Doug Jensen, DOGM
Beth Ericksen, DOGM
P:\GROUPS\MINERALS\WP\M015-Emery\M0150062-ECDC\final\01182006bond-escal.doc

SURETY ESTIMATE UPDATE

18-Jan-06

ECDC

ECDC Clay Mine

FILE # M/015/062

Emery County

Prepared by Utah Division of Oil, Gas & Mining

Last Update Apr 10, 2000

DESCRIPTION:

-Previous reclamation surety estimate was \$63,100 in year 2000 dollars

-Reclamation Estimate base amount calculated in 2000-\$

-This update adjusts the surety amount for escalation only.

-Escalation factors through 2004 are actual Means Historical Cost Indices

-Total disturbed area = 25.4 ACRES

CALCULATIONS	YR	ESCAL FACTOR	BOND AMOUNT
$F = P(1 + i)^{**n}$			
F = Future Sum	1996	0.0242	\$0.00
P = Present Sum	1997	0.0236	\$0.00
i = Escalation Factor	1998	0.0502	\$0.00
n = number of periods	1999	0.0191	\$0.00
	2000	0.0244	\$53,685
Three Yr Average = 1.20%	2001	0.0421	\$55,945
Used to Project 5 Yrs	2002	0.0171	\$56,902
From the Year 2005	2003	0.0840	\$61,682
	2004	0.0200	\$62,915
	2005	0.0120	\$63,670
	2006	0.0120	\$64,434
	2007	0.0120	\$65,207
	2008	0.0120	\$65,990
	2009	0.0120	\$66,782
	2010	0.0120	\$67,583
	2011	0.0120	\$68,394
Updated Surety Amount Rounded (2011-\$)			\$68,400

** Average cost per acre = 2693 (\$/ACRE)